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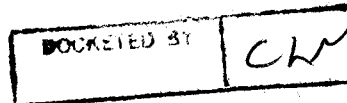
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## BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission DOCUMENT CONTROL

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RENZ D. JENNINGS  
CHAIRMAN  
MARCIA WEEKS  
COMMISSIONER  
CARL J. KUNASEK  
COMMISSIONER

IN THE MATTER OF THE APPLICATION )  
OF DIGITAL SERVICES CORPORATION )  
FOR A CERTIFICATE OF CONVENIENCE )  
AND NECESSITY TO PROVIDE INTRA- )  
STATE COMPETITIVE TELECOMMUNI- )  
CATIONS SERVICES AND PETITION FOR )  
COMPETITIVE CLASSIFICATION OF PRO- )  
POSED SERVICES )

DOCKET NO. U3187-96-55-7

## APPLICATION

Digital Services Corporation ("DSC") submits its Application for a certificate of convenience and necessity to extend the intrastate competitive telecommunications services it provides in the State of Arizona. Digital Services Corporation also submits its Petition for Competitive Classification of the proposed services. The Application and Petition for Competitive Classification are submitted pursuant to A.A.C. R14-2-1101 to -1115.

## I. APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY

A. Description of Digital Services Corporation

1. Digital Services Corporation is a Virginia corporation with its principal place of business at 2300 Clarendon Boulevard, Suite 800, Arlington, Virginia 22201. A copy of DSC's Articles of Incorporation is attached at Exhibit A. DSC is qualified to do business in Arizona and a copy of its certificate of good standing is attached at Exhibit B.

2. The current officers and directors of DSC are:

Officers:

Rajendra Singh	President & Treasurer
Neera Singh	Vice President & Secretary
Hal Perkins	General Counsel & Assistant Secretary
Rahul Prakash	Assistant Treasurer

Directors:

Rajendra Singh  
Neera Singh

3. Correspondence concerning this Application should be directed to:

Mr. Richard Southard  
Digital Services Corporation  
Arlington Courthouse Plaza II  
2300 Clarendon Boulevard, Suite 800  
Arlington, Virginia 22201  
telephone: 703/516-7577  
fax: 703/527-9433

with copies provided to:

Dr. Rajendra Singh  
Digital Systems Corporation  
2300 Clarendon Boulevard, Suite 800  
Arlington, Virginia 22201  
telephone: (703) 527-9433

Arizona Counsel:

Lex J. Smith, Esq.  
Michael W. Patten, Esq.  
Brown & Bain, P.A.  
2901 North Central Avenue  
Post Office Box 400  
Phoenix, Arizona 85001-0400  
telephone: (602) 351-8000  
fax: (602) 351-8516

1           **B.    Description of Services to be Provided**

2           4.    DSC currently is certificated to provide intrastate  
3 facilities-based non-switched private line telecommunications ser-  
4 vices in Maricopa County. [See Decision No. 59709] DSC now seeks  
5 authority to provide facilities-based and resale local exchange  
6 telecommunications services and facilities-based and resale intra-  
7 state toll telecommunications services throughout Arizona. Using a  
8 wireless network, DSC will provide service in many areas where fiber  
9 cannot be deployed economically. By using wireless technology to  
10 extend the reach of fiber networks, the networks will provide access  
11 to a previously inaccessible market segment.

12           5.    DSC and another certificated provider, Microwave  
13 Services, Inc. ("MSI"), have formed a joint venture limited liability  
14 company, Associated Communications, L.L.C., to act as an agent for  
15 both companies for a variety of service and management functions,  
16 including the marketing of services to potential customers. DSC has  
17 a 45% equity interest in Associated Communications. MSI is filing a  
18 concurrent application with the Commission.

19           6.    Utilizing both traditional point-to-point microwave  
20 technology and advanced two-way, point-to-multipoint wireless access  
21 technology at 18 GHz frequencies, DSC, MSI and Associated Communi-  
22 cations will provide a complete bundle of telecommunications services  
23 to a broad base of business and residential customers. These  
24 services will include local switched and dedicated telephone service,  
25 toll services, Internet access, high-speed data and high-quality  
26 video conferencing. DSC, MSI and Associated Communications will

1 utilize the portion of the 18-19 GHz band that was designated in 1981  
2 by the FCC as the Digital Electronic Message Service ("DEMS") band.  
3 The DEMS band rules allow a licensee to use its licensed frequency  
4 pairs for two-way, "cellular-like" point-to-multipoint digital  
5 services to fixed user stations. DSC and MSI hold licenses for the  
6 exclusive use of the 18-19 GHz spectrum band in the Maricopa County  
7 Standard Metropolitan Statistical Area.

8           7. The network of radio "nodal sites" used in providing  
9 the proposed services will be similar to those of cellular networks.  
10 Nodal sites will be interconnected with switching and routing  
11 infrastructure using both wired and wireless links. The deployment  
12 of these nodal sites will provide for a significant coverage area.  
13 With the nodal sites deployed in advance, each additional customer  
14 can be added comparatively quickly and inexpensively by installing a  
15 small antenna at the customer's site, mounted either on the roof, on  
16 the side of the building, or even near a window inside the building.  
17 Unlike point-to-point microwave systems, a DEMS system may also be  
18 point-to-multipoint, which allows nodal sector radios and antennae to  
19 be shared simultaneously among many customer site radios. The  
20 network will employ sectorization and frequency reuse to achieve  
21 capacity sufficient to offer high-speed services to many customers  
22 within the same sector. By sharing nodal equipment and customer site  
23 equipment among many end users and using sectorization, a single cell  
24 site in the DEMS system can potentially serve thousands of  
25 subscribers.

26 . . .

1           8.    DSC will provide all exchange customers with access to  
2 911 emergency services and E-911 emergency services.   DSC will  
3 cooperate with existing local exchange carriers to arrange for the  
4 necessary interconnections to permit efficient completion of these  
5 calls.

6           9.    Because service quality is one of the important cri-  
7 teria by which customers will select and judge their local service  
8 provider, DSC will meet or exceed the service quality standards as  
9 set forth in A.A.C. R14-2-1114.

10           **C.   Tariffs for Each Service to be Provided**

11           10.   At this time, DSC is unable to provide a proposed  
12 tariff for its services.   DSC must interconnect with the incumbent  
13 local exchange carriers--initially U S West--to complete the vast  
14 majority of its customers' calls.   DSC is prepared to interconnect  
15 with incumbent local exchange carriers under negotiated or arbitrated  
16 interconnection agreements but DSC has not yet concluded an intercon-  
17 nection agreement with U S West.   As soon as applicable interconnec-  
18 tion terms are available, DSC will supplement this Application with  
19 proposed tariffs for services in Arizona that include a proposed  
20 maximum rate and the initial price to be charged.   Therefore,  
21 pursuant to A.A.C. R14-2-1115.I, DSC requests that the Arizona  
22 Corporation Commission (the "Commission") grant a waiver of A.A.C. R-  
23 2-1104.A.3 until it has concluded an interconnection agreement with  
24 U S West.

25   . . .

26   . . .

1           **D. Description of Geographic Market to be Served**

2           11. Although this Application seeks a statewide CCN, DSC  
3 intends to serve U S West's service areas, initially in the Phoenix  
4 metropolitan area. A map of the initial service area is attached as  
5 Exhibit C.

6           **E. DSC's Technical Capability**

7           12. DSC is wholly owned by Rajendra and Neera Singh and  
8 two family trusts. Rajendra and Neera Singh each have over twelve  
9 years of experience in the telecommunications field. A summary of  
10 their qualifications, as well as the qualifications of DSC's Director  
11 of Business Development, Rahul Prakash, is as follows:

12           Rajendra Singh is a 1980 graduate of Southern Metho-  
13 dist University with a Ph.D. in Electrical Engineering, and  
14 is currently the President of DSC. In addition, Mr. Singh  
15 is the Chairman and CEO of Telcom Ventures, L.L.C., which  
16 includes among its subsidiaries, LCC, L.L.C. ("LCC"), the  
17 world's largest independent provider of wireless engi-  
18 neering consulting services and related products. LCC has  
19 over 600 employee worldwide and annual revenues of approxi-  
20 mately \$100 million. Mr. Singh has played a pivotal role  
in the cellular telephone industry and has established  
industry standards for system design and methodology. He  
organized a conference on Time Division Multiple Access  
("TDMA") and Code Division Multiple Access ("CDMA"), the  
two digital standards utilized by the cellular industry in  
the United States. In addition, Mr. Singh founded and  
directed APPEX Inc., a billing services firm that was sold  
to Electronic Data Systems in October 1990.

21           Neera Singh, Rajendra's spouse and the Vice President  
22 and Secretary of DSC, is the co-founder of LCC. She has  
23 served as a principal executive of LCC since its founding  
in 1983.

24           Rahul Prakash, the Assistant Treasurer and Director of  
25 Business Development of DSC, has over nine years of exper-  
26 ience in the telecommunications field, and has worked  
throughout the world consulting with companies in the area  
of wireless telecommunications. Among other projects, Mr.  
Prakash was recently involved in the winning bid for a GSM

1 cellular license in Bombay, India and was active in the  
2 steering committee for a consortium applying for a cellular  
3 license in Holland. Prior to this, he was the Director of  
4 Business Development for Telemate, a joint venture between  
5 Telcom Ventures, L.L.C. and France Telcom, which was based  
6 in France.

7 13. Biographical sketches of Rajendra and Neera Singh,  
8 Rahul Prakash, and Hal Perkins, DSC's General Counsel are attached at  
9 Exhibit D.

10 14. Associated Communications, L.L.C., which was formerly  
11 DMT, L.L.C., on behalf of DSC and MSI, will market broadband wireless  
12 multimedia local services and manage broadband full-service competi-  
13 tive local exchange networks that offer voice, high-speed data,  
14 Internet access and video conferencing facilities and services.  
15 These networks will provide an integral component of a fully inte-  
16 grated suite of switched and dedicated communications services,  
17 including local exchange, long distance and long distance access,  
18 Internet access, private wide-area networking, and video conferencing  
19 services to a broad base of business and residential customers.  
20 Associated Communications will provide construction, operations  
21 management and marketing services for the telecommunications networks  
22 licensed to DSC and MSI. The Chairman and Chief Executive Officer of  
23 Associated Communications is Alex J. Mandl. A summary of his  
24 experience is as follows:

25 Mandl, 52, joined Associated Communications in August  
26 1996 after serving as president, chief operating officer  
and director of AT&T, and as a member of the office of the  
chairman. In addition to managing AT&T's long-distance and  
wireless communications businesses, Mandl was one of the  
architects of the company's plans to compete with the  
regional Bell operating companies in providing local

1 telecommunication services following the passage of The  
2 Telecommunications Act of 1996.

3 Mandl joined AT&T in 1991 as chief financial officer  
4 and group executive, a position he held until 1993. During  
5 that time, he directed AT&T's financial strategy, policy  
6 and operations; oversaw AT&T Capital Corporation; and  
7 managed various internal support functions for the company.  
8 In 1993, he was named executive vice president of AT&T and  
9 chief executive officer of its Communications Services  
10 Group, with responsibility for AT&T's core long-distance  
11 services business. He later managed the \$11.5 billion  
12 acquisition and integration of McCaw Cellular Communi-  
13 cations, Inc.

14 Mandl is a member of the Global Business Management  
15 Council, Young President's Organization (alumnus), the  
16 American Enterprise Institute for Public Policy Research  
17 and the Management Policy Council (alumnus). He also  
18 serves on the boards of the Aarner-Lambert Company,  
19 Carnegie Hall, the Walter A. Haas School of Business at the  
20 University of California at Berkeley, Willamette Univer-  
21 sity, and AT&T Universal Card Services. He is a former  
22 member of the boards of the Coalition of Service Industries  
23 and the Emergency Committee for American Trade. In January  
24 1994, Mandl was appointed to the Advisory Council of the  
25 National Information Infrastructure by Vice President Gore.

26 Mandl has an M.B.A. from the University of California  
at Berkeley and a B.A. degree in economics from Willamette  
University in Oregon. He was born in Austria, and received  
his early education there. He came to the United States to  
attend college, and has lived here ever since.

#### 18 **F. DSC's Financial Resources**

19 15. Rajendra and Neera Singh are also the majority owners  
20 of Telcom Ventures, L.L.C. ("Telcom"), a privately-held company which  
21 had over \$100 million in revenues during 1995. DSC will provide to  
22 Arizona Corporation Commission staff, as soon as possible after  
23 filing, financial information evidencing that Telcom has sufficient  
24 financial resources to support DSC in providing the proposed  
25 services. As reflected in the commitment letter attached at Exhibit  
26 E, Telcom will make the necessary funds available to DSC to provide



1 the proposed services. Thus, DSC has the financial support necessary  
2 to procure, install and operate telecommunications facilities and to  
3 hire and train the personnel necessary to operate those facilities.

4 16. DSC will submit a pro forma projection of anticipated  
5 revenues and expenses to be incurred by DSC as soon as an acceptable  
6 confidentiality agreement is executed.

7 **G. DSC's Governmental Approvals**

8 17. DSC possesses appropriate governmental approvals to  
9 conduct its proposed operations in Arizona.

10 **II. PETITION FOR COMPETITIVE CLASSIFICATION OF TELECOMMUNI-**  
11 **CATIONS SERVICES**

12 **A. Description of Competitive Services**

13 18. DSC requests the Commission to find that all services  
14 it proposes to offer are competitive.

15 **B. Description of Relevant Market Conditions**

16 19. Although DSC has provided private line services in the  
17 Phoenix area since receiving its CC&N in June 1996, DSC has not  
18 provided any of the proposed telecommunications services in Arizona  
19 to date. Accordingly, if the Commission grants the application, DSC  
20 will enter those intrastate telecommunications markets with zero  
21 market share.

22 20. Moreover, DSC probably will not gain a significant  
23 share of the telecommunications market, or have a meaningful oppor-  
24 tunity to compete for the broad market, until true local number  
25 portability is established. Because customers generally develop a  
26 strong affinity to their telephone numbers, most customers may be

1 reluctant to leave the incumbent local exchange carrier's network  
2 even after a competitor enters the market. DSC believes that the  
3 lack of true local number portability will impair its ability to gain  
4 market share.

5 21. DSC will be entering an intrastate telecommunications  
6 market where U S West possesses a 100% market share (and a near 100%  
7 market share for intraLATA toll services) and the advantage of  
8 approximately 80 years of advertising as the only local exchange  
9 telephone company in the Phoenix metropolitan area. As a result, all  
10 of the intrastate telecommunications services which DSC proposes to  
11 provide are competitive.


12 **THEREFORE**, DSC respectfully requests that the Commission: (i)  
13 grant a certificate of convenience and necessity to DSC to provide  
14 competitive telecommunications services in Arizona and (ii) determine  
15 that the telecommunications services to be offered by DSC are  
16 competitive telecommunications services under A.A.C. R14-2-1108.

17  
18 **DATED:** November 6, 1996.

19 Respectfully submitted,

20 BROWN & BAIN, P.A.

21  
22 By:

  
Lex J. Smith, Esq.  
Michael W. Patten, Esq.  
2901 North Central Avenue  
Post Office Box 400  
Phoenix, AZ 85001-0400

23  
24  
25 Attorneys for Applicant

26 . . .

1 ORIGINAL and TEN (10) COPIES of  
2 the foregoing filed this 6 day  
of November, 1996, with:

3 Docket Control Division  
4 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix Arizona 85007

6 COPIES of the foregoing hand-  
7 delivered this 6 day of  
November, 1996, to:

8 Paul Bullis, Esq.  
Chief Counsel  
9 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
10 Phoenix, Arizona 85007

11 Mr. Gary Yaquinto  
Director, Utilities Division  
12 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
13 Phoenix, Arizona 85007

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A

# Commonwealth of Virginia



## State Corporation Commission

I Certify the Following from the Records of the  
Commission:

the foregoing is a true copy of all documents constituting the charter of  
DIGITAL SERVICES CORPORATION.

Nothing more is hereby certified.



Signed and Sealed at Richmond  
on this Date: May 13, 1996

*William J. Bridge*  
William J. Bridge, Clerk of the Commission

RESTATED  
ARTICLES OF INCORPORATION  
OF EUROFON OF FRANCE, INC.

FIRST. The name of the corporation is Eurofon of France, Inc.

SECOND. The Articles of Incorporation of the corporation are hereby amended and restated to read in their entirety as follows:

"FIRST. The name of the corporation is DIGITAL SERVICES CORPORATION.

SECOND. The total number of shares which the corporation shall have the authority to issue is 10,000 shares of common stock, par value one cent (\$0.01) per share.

THIRD. The address of the initial registered office of the corporation in the State of Virginia is 10622 Timberidge Road, City of Fairfax Station, County of Fairfax, Virginia 22039. The name of its registered agent at such address, who is a resident of Virginia and a member of the Virginia State Bar, is J.T. Westermeier.

FOURTH. The purpose of the corporation is to engage in any lawful activity for which corporations may be organized under the Virginia Stock Corporation Act."

THIRD. The foregoing Restated Articles of Incorporation were adopted by the unanimous consent of the shareholders of the corporation on March 17, 1993.

The undersigned, being the President of the corporation, hereby declares that the facts herein stated are true as of this, the 17th day of March, 1993.

EUROFON OF FRANCE, INC.

Rajendra Singh  
Rajendra Singh  
President

**CERTIFICATE**

I, Rajendra Singh, do hereby certify as follows:

1. I am President of Eurofon of France, Inc. (the "Corporation"); and

2. The attached Restated Articles of Incorporation were adopted by the unanimous consent of the shareholders of the Corporation as of the date hereof.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this, the 17th day of March, 1993.

Rajendra Singh  
Rajendra Singh

COMMONWEALTH OF VIRGINIA )

) ss.

COUNTY OF ARLINGTON )

I, Margaret Keast, a Notary Public in and for the Commonwealth of Virginia, do hereby certify that Rajendra Singh, whom I know personally, appeared before me on this the 17th day of March, 1993 and executed the foregoing Certificate.

Given under my hand and seal on this, the 17th day of March, 1993.

[NOTARIAL SEAL]

Margaret Keast  
Margaret Keast  
Notary Public

My Commission Expires: March 31, 1994

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

April 1, 1993

The State Corporation Commission has found the accompanying  
articles submitted on behalf of

DIGITAL SERVICES CORPORATION  
(FORMERLY EUROFON OF FRANCE, INC. )

to comply with the requirements of law, and confirms payment of  
all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT AND RESTATEMENT

be issued and admitted to record with the articles of amendment in  
the Office of the Clerk of the Commission, effective April 1,  
1993 at 11:59 AM.

The corporation is granted the authority conferred on it by law in  
accordance with the articles, subject to the conditions and  
restrictions imposed by law.

STATE CORPORATION COMMISSION

By

  
Commissioner

AMENACPT  
CIS20436  
93-03-18-0113



**B**

# State of Arizona



OFFICE OF THE

## CORPORATION COMMISSION

*To all to whom these presents shall come, greeting:*

*I, James Matthews, Executive Secretary of the  
Arizona Corporation Commission, do hereby certify that*

**\*\*\*DIGITAL SERVICES CORPORATION\*\*\***

*a corporation organized under the laws of the jurisdiction of  
Virginia was, on the 3rd day of May 1996, authorized  
to transact business in the State of Arizona as a foreign corporation.*

*I further certify that this corporation has filed all affidavits  
and annual reports and paid all filing fees required to  
date and, therefore, is in good standing in this state.*

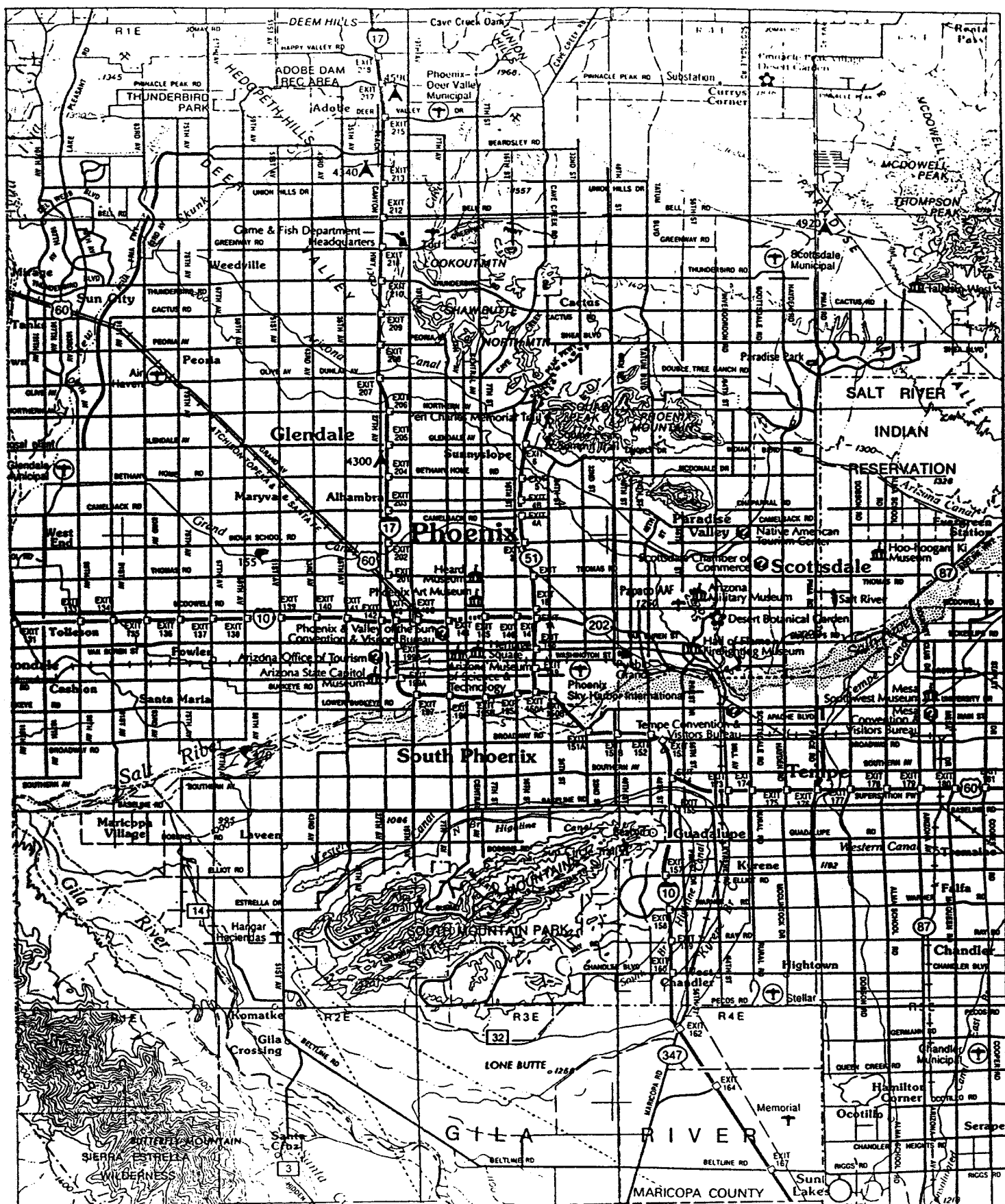


*IN WITNESS WHEREOF, I have hereunto  
set my hand and affixed the official seal  
of the Arizona Corporation Commission.  
Done at Phoenix, the Capitol, this  
6th day of November, 1996, A. D.*

*James Matthews*  
\_\_\_\_\_  
Executive Secretary

BY: *Alma Castillo*  
\_\_\_\_\_

C



**D**

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## Directors and Officers of Digital Services Corporation

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The directors and officers of Digital Services Corporation ("DSC"):

<u>Name</u>	<u>Age</u>	<u>Position</u>
Dr. Rajendra Singh	40	Chairman of the Board, President, Chief Executive Officer and Treasurer of DSC
Neera Singh	38	Director, Vice President and Secretary of DSC
Roy Mehta	42	Director of Operations -DSC
Rahul C. Prakash	34	Director of Business Development -DSC
Hal Perkins	39	General Counsel for DSC

Dr. Singh has been the Chairman of the Board, President, Chief Executive Officer and Treasurer of DSC since its formation in August 1993. Dr. Singh also serves as Chairman of the Members Committee, President, Chief Executive Officer and Treasurer of Telcom Ventures since its formation in January 1994. In addition, Dr. Singh has served as Chairman, Chief Executive Officer and Treasurer of LCC, L.L.C. ("LCC") since he founded that company in 1983. LCC is the world's leading provider of products and services relating to the design and engineering of wireless communications systems. Dr. Singh has played an instrumental role in the cellular industry by setting standards used in system design and methodology today. Dr. Singh holds a Ph.D. in Electrical Engineering from Southern Methodist University.

Neera Singh has served as Vice President, Secretary and Director of DSC since its formation in August 1993. Mrs. Singh also serves as Senior Vice President, Secretary and a member of the Members Committee of Telcom Ventures. Mrs. Singh, the wife of Dr. Singh, co-founded LCC in 1983 and has served as an officer and director of that company since its formation. She currently serves as Senior Vice President, Secretary and a member of the Members Committee of LCC.

Roy Mehta has a MSEE degree from the Illinois Institute of Technology, and eighteen years experience in the telecommunications industry. With an engineering background, Roy brings a combination of technical and managerial expertise to DSC. He has been involved in all phases of product development, project implementation, strategic planning and operations management.

Rahul C Prakash is currently the Director of Business Development and the Special Advisor to the Chairman of DSC. Rahul has over nine years of experience in Business Development, the previous five years being in the wireless telecom business. Rahul has worked extensively all over the world pursuing opportunities in the areas of wireless telecommunications. Rahul's strengths lie in the areas of finance, strategy and new project development.

Hal B. Perkins has represented investors and businesses in a wide variety of domestic and international transactions. Since graduating from Benjamin N. Cardozo Law School with honors in 1984, he has specialized in mergers and acquisitions, investment transactions and public securities offerings. Before joining Digital Services Corporation in 1995, Mr. Perkins was associated with several law firms, including two major firms at which he represented Wesray Capital Corporation and its affiliates in numerous transactions over a seven-year period.

**E**



Telcom  
Ventures, L.L.C.

October 28, 1996

Mrs. Neera Singh  
Vice President  
Digital Services Corporation  
2300 Clarendon Boulevard  
Suite 800  
Arlington, VA 22201

Dear Mrs. Singh:

This will confirm the Agreement of Telcom Ventures, L.L.C. (TV) to advance start-up costs to Digital Services Corporation (DSC), so that DSC may build out its system and operate as a facilities based local exchange service provider in the State of Arizona. TV will further advance any and all deposits that may be required by any other carriers which deposits will be necessary for the provision of services.

Sincerely,

TELCOM VENTURES, L.L.C.



Hal B. Perkins  
General Counsel and Assistant Secretary

K:\A-E\DSCDCGUALTR